

HOUSE BILL No. 1915

DIGEST OF INTRODUCED BILL

Citations Affected: IC 4-10-18-8; IC 6-2.1.

Synopsis: Rainy day fund; tax payments. Provides that before money is transferred from the counter-cyclical revenue and economic stabilization (rainy day) fund to the property tax replacement fund, the balance of the rainy day fund must exceed 7% of the revenues for both the state general fund and the property tax replacement fund (rather than exceeding 7% of just the state general fund revenues). Provides that gross income taxes and adjusted gross income taxes are to be paid in the month following the end of each calendar quarter. Allows the department of state revenue to prescribe the payment dates for taxpayers using a fiscal year. (These changes restore the pre-1993 law.) Repeals certain gross income tax provisions that applied only to taxable years ending before January 1, 1998.

Effective: July 1, 1999; January 1, 2000; January 1, 2003.

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January 26, 1999, read first time and referred to Committee on Ways and Means.



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Introduced

First Regular Session 111th General Assembly (1999)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 1998 General Assembly.

HOUSE BILL No. 1915

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 4-10-18-8 IS AMENDED TO READ AS
2 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 8. (a) Except as
3 provided in subsection (b), if the balance, at the end of a state fiscal
4 year, in the fund exceeds seven percent (7%) of the total state general
5 fund revenues **plus the property tax replacement fund revenues** for
6 that state fiscal year, the excess is appropriated from the fund to the
7 property tax replacement fund established under IC 6-1.1-21. The
8 auditor of state and the treasurer of state shall transfer the amount so
9 appropriated from the fund to the property tax replacement fund during
10 the immediately following state fiscal year.

11 (b) If an appropriation is made out of the fund under section 4 of
12 this chapter for a state fiscal year during which a transfer is to be made
13 from the fund to the property tax replacement fund, the amount of the
14 appropriation made under subsection (a) shall be reduced by the
15 amount of the appropriation made under section 4 of this chapter.
16 However, the amount of the appropriation made under subsection (a)
17 may not be reduced to less than zero (0).

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SECTION 2. IC 6-2.1-5-1.1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 1.1. (a) This section applies to taxable years beginning after December 31, 1993.

(b) Except as provided in subsections (d) through ~~(g)~~, **(f)**, a taxpayer shall file gross income tax returns with, and pay the taxpayer's gross income tax liability to, the department by the due date of the estimated return. A taxpayer who utilizes a taxable year that ends on December 31 shall file the taxpayer's estimated gross income tax returns and pay the tax to the department on or before ~~April 20; June 20; September 20; and December 20 of the taxable year:~~ **the last day of January, April, July, and October for each quarter that ends on the last day of the immediately preceding month.** If a taxpayer utilizes a taxable year which does not end on December 31, the ~~due dates for filing estimated gross income tax returns and paying the tax are on or before the twentieth day of the fourth, sixth, ninth, and twelfth months of the taxpayer's taxable year:~~ **department shall prescribe due dates for filing quarterly estimated gross income tax returns and paying the tax.**

(c) With each return filed, with each payment by cashier's check, certified check, or money order delivered in person or by overnight courier, and with each electronic fund transfer made, a taxpayer shall pay to the department the remainder of:

(1) either twenty-five percent (25%) of the estimated or the exact amount of gross income tax which is due; minus

(2) the amount of gross income tax which was withheld pursuant to IC 6-2.1-6.

(d) If a taxpayer's estimated annual gross income tax liability does not exceed one thousand dollars (\$1,000), then the taxpayer is not required to file an estimated gross income tax return.

~~(e) If a taxpayer is required to file an annual gross income tax return under section 2-1 of this chapter, and pays in full the taxpayer's gross income tax liability for that taxable year before the taxpayer's final estimated return is due, then the taxpayer is not required to file the final estimated gross income tax return for that same taxable year:~~

~~(f)~~ **(e)** If the department determines that a taxpayer's:

(1) estimated quarterly gross income tax liability for the current year; or

(2) average estimated quarterly gross income tax liability for the preceding year;

exceeds, before January 1, 1998, twenty thousand dollars (\$20,000) and, after December 31, 1997, ten thousand dollars (\$10,000), the taxpayer shall pay the estimated gross income taxes due by electronic



1 funds transfer (as defined in IC 4-8.1-2-7) or by delivering in person or
 2 by overnight courier a payment by cashier's check, certified check, or
 3 money order to the department. The transfer or payment shall be made
 4 on or before the date the tax is due.

5 ~~(g)~~ (f) If a taxpayer's gross income tax payment is made by
 6 electronic funds transfer, the taxpayer is not required to file an
 7 estimated gross income tax return.

8 SECTION 3. IC 6-2.1-5-2 IS AMENDED TO READ AS
 9 FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 2. (a) Every
 10 taxpayer who receives more than one thousand dollars (\$1,000) in
 11 gross income during a particular taxable year shall file with the
 12 department an annual gross income tax return. At the time of filing an
 13 annual return, a taxpayer shall pay to the department an amount equal
 14 to the remainder of:

15 ~~(i)~~ (1) the total gross income tax liability incurred by the taxpayer
 16 for that particular taxable year; minus

17 ~~(ii)~~ (2) the sum of:

18 (A) the total amount of gross income taxes which were
 19 previously paid to the department for ~~any quarter of~~ that same
 20 taxable year; plus

21 (B) any gross income taxes which were withheld from the
 22 taxpayer for that same taxable year pursuant to IC 6-2.1-6.

23 (b) Except as provided in subsection (d), a taxpayer who utilizes a
 24 taxable year which ends on December 31 shall file his annual gross
 25 income tax return and pay the tax, if any, for that taxable year on or
 26 before April 15 of the immediately succeeding tax year.

27 (c) Except as provided in subsection (d), if a taxpayer utilizes a
 28 taxable year which does not end on December 31 the department shall
 29 prescribe the due dates for filing annual gross income tax returns and
 30 paying the tax.

31 (d) Any taxpayer whose gross income is either wholly or partially
 32 subject to the withholding procedures described in IC 6-2.1-6 shall file
 33 his annual gross income tax return on or before March 1 of the calendar
 34 year immediately following the year during which the tax was withheld.

35 (e) Any taxpayer who does not file an annual gross income tax
 36 return for a taxable year may be required to execute and file with the
 37 department a sworn statement that he did not receive more than one
 38 thousand dollars (\$1,000) of taxable gross income during that taxable
 39 year.

40 SECTION 4. IC 6-2.1-5-4 IS AMENDED TO READ AS
 41 FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 4. The department
 42 may require a taxpayer who receives gross income at two (2) or more



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1 business locations within the state to file with each quarterly **estimated**
2 and annual gross income tax return, an information return which shows
3 the allocation of gross income to each business location at which the
4 gross income was received.

5 SECTION 5. IC 6-2.1-6-3.1 IS AMENDED TO READ AS
6 FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 3.1. A
7 withholding agent who is required to withhold gross income tax under
8 section 1 or 2 of this chapter shall file a return and pay the amount of
9 tax withheld to the department on ~~April 20; June 20; September 20; and~~
10 ~~December 20 of each calendar year:~~ **the last day of January, April,**
11 **July, and October for each quarter that ends on the last day of the**
12 **immediately preceding month.** The return shall reflect the amount
13 withheld for each taxpayer from gross income paid to the taxpayer. The
14 withholding agent is indemnified against the claims and demands of
15 any individual or entity for the amount of any payment made in
16 accordance with this section.

17 SECTION 6. THE FOLLOWING ARE REPEALED [EFFECTIVE
18 JANUARY 1, 2003]: IC 6-2.1-5-2.1; IC 6-2.1-5-4.1.

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